independent claim 1 it recites a planar area that is positioned below a web of a substrate and moves parallel to the direction of movement of the web of a substrate. Claim 1 further recites that an applicator places a label upon a portion of the web that lies above the planar area. Barber et al. does not disclose such a structure. The Office Action asserts that the carrier web 94 corresponds to the recited web and the applicator pad 120 corresponds to the recited applicator. A review of Barber et al. reveals that claim 1 is not anticipated by web 94 and pad 120. In particular, claim 1 specifically recites that the applicator places a label on a portion of the web. In contrast, the labels of Barber et al. are not placed on web 94 by pad 120. Instead, the labels are releasably attached to the web 94 prior to being mounted on a reel 93. In other words, a user buys the web 94 with the labels already attached thereto and then mounts the web of labels to the reel 93. Thus, Barber et al.'s device in no way places labels on web 94. Accordingly, claim 1 is not anticipated by Barber et al. in the manner asserted by the Office Action.

Despite the improperness of the assertions by the Office Action, claim 1 has been amended to clarify that the web moves substantially independently of the movement of the planar area. If folder 3 or folder flap 45 is interpreted to anticipate the recited web and conveyor formed by cross bars 16 is interpreted to anticipate the recited planar area, then claim 1 is not anticipated by Barber et al. under this interpretation because the folder 3 or folder flap 45 are substantially moved by the conveyor. Accordingly, the rejection should be withdrawn.

Besides not being anticipated by Barber et al., the claims are not rendered obvious by

Barber et al. as well. In particular, there is no suggestion in Barber et al. or the prior art to place
labels on Barber et al.'s web 94 or to move the folder/folder flap of Barber et al. substantially
independently of the conveyor. Without such suggestion, the claims should be deemed patentable

over Barber et al.

Regarding claims 9-15 and 26-32, they recite a label having a security element. Barber et al. does not disclose a label with a security element. This is conceded at page 7 of the Office Action which states "Barber et al. fails to disclose a security element printed on a label." Since Barber et al. fails to disclose all of the elements recited in claims 9-15 and 26-32, the rejection of those claims is improper and should be withdrawn.

2. Claims 34-52

Claims 34-52 were rejected as being anticipated under § 102(b) by Barber et al. Applicant traverses this rejection for several reasons. Regarding independent claim 34 it recites moving a planar area below a web of a substrate and parallel to the direction of movement of the web.

Claim 34 further recites placing a label upon a portion of the web that lies above the planar area.

Barber et al. does not disclose such a process. As mentioned above in Section A.1, the Office Action asserts that the carrier web 94 corresponds to the recited web. However, Applicant's arguments presented in Section A.1 point out that no labels are placed on the web 94.

Accordingly, claim 34 is not anticipated by Barber et al. in the manner asserted by the Office Action.

Despite the improperness of the assertions by the Office Action, claim 34 has been amended to clarify that the web moves substantially independently of the movement of the planar area. If folder 3 or folder flap 45 is interpreted to anticipate the recited web and conveyor formed by cross bars 16 is interpreted to anticipate the recited planar area, then claim 34 is not anticipated by Barber et al. under this interpretation because the folder 3 or folder flap 45 are substantially moved by the conveyor.

Besides not being anticipated by Barber et al., the claims are not rendered obvious by Barber et al. as well. In particular, there is no suggestion in Barber et al. or the prior art to place labels on Barber et al.'s web 94 or to move the folder/folder flap of Barber et al. substantially independently of the conveyor. Without such suggestion, the claims should be deemed patentable over Barber et al.

Regarding claims 39 and 50, they recite a label having a security element. Barber et al. does not disclose a label with a security element. This is conceded in the Office Action on page 7 as mentioned previously in Section A.1. Since Barber et al. fails to disclose all of the elements recited in claims 39 and 50, the rejection of those claims is improper and should be withdrawn.

3. <u>Claims 53-64</u>

Claims 53-64 were rejected as being anticipated under § 102(b) by Barber et al. Applicant traverses this rejection for several reasons. Regarding independent claim 53, it recites diminishing skewing of the portion of the web during the pressing. Barber et al. does not disclose such a process. It is noted that the Office Action has relied on an excerpt of Column 7 of Barber et al. as evidence of the recited diminished skewing. However, the excerpt is silent as to diminishing skewing. Instead, the excerpt recites that the flap 45 is to be accurately in registration with the strip 13. Such registration is accomplished through the clamps 33 (Col. 6, Il. 63-68). Such clamps ensure that the registration does not change during the pressing of labels. If the registration does not change during the pressing of labels, then it is not possible to diminish skewing since the clamps ensure that any skewing is constant during pressing. Accordingly, claim 53 is not anticipated by Barber et al.

Besides not being anticipated by Barber et al., the claims are not rendered obvious by

Barber et al. as well. In particular, there is no suggestion in Barber et al. or the prior art to diminish skewing during the pressing of the labels. As pointed out above, Barber et al. uses clamps to ensure that the skewing/registration is constant through the process. Since Barber et al. teaches away from diminishing skewing, the claims should be deemed patentable over Barber et al.

Regarding claims 58 and 62, they recite a label having a security element. Barber et al. does not disclose a label with a security element. This is conceded in the Office Action on page 7 as mentioned previously in Section A.1. Since Barber et al. fails to disclose all of the elements recited in claims 58 and 62, the rejection of those claims is improper and should be withdrawn.

B. <u>35 U.S.C. δ 103</u>

Claims 9-15 were rejected under 35 U.S.C § 103 as being obvious in view of Barber et al. and Chamberlain et al. 1 Claims 9-15 depend directly or indirectly on claim 1. Chamberlain et al. does not cure the deficiencies of Barber et al. recited previously in Section A.1, since it does not disclose or suggest altering Barber et al. to place labels on Barber et al.'s web 94 or to move the folder/folder flap of Barber et al. substantially independently of the conveyor. Without such suggestion, the claims should be deemed patentable over Barber et al.

¹ It is noted that the first sentence at paragraph 4 of the Office Action only lists claim 9 as being rejected under Section 103. This appears to be a typographical error in view of the arguments that follow regarding claims 10-15. Accordingly, Applicant will treat the rejection as being applied to claims 10-15 as well.

C. New Claim 65

New claim 65 depends indirectly on claim 1 and so is patentable for at least the same reasons given above in Section A.1 with respect to claim 1. Claim 65 is patentable for the additional reason that Barber et al. and the prior art do not disclose or suggest having a web move substantially independently of the planar area during a diminishing skewing process.

Please note that new claim 65 is being presented to provide additional coverage for a process for manufacturing a label. Accordingly, new claim 65 is not being presented for reasons of patentability as defined in <u>Festo Corporation v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.</u>, 234 F.3d 558, 56 USPQ2d 1865 (Fed. Cir. 2000).

CONCLUSION

In view of the arguments above, Applicant respectfully submits that all of the pending claims 1-65 are in condition for allowance and seek an early allowance thereof. If for any reason, the Examiner is unable to allow the application in the next Office Action and believes that an interview would be helpful to resolve any remaining issues, he is respectfully requested to contact the undersigned attorneys at (312) 321-4200.

Respectfully submitted,

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Marked Up Version of Amended Claims

- 1. (Amended) A label manufacturing system comprising:
- a web of a substrate that moves along a first direction; and
- a dispensing system comprising:

a planar area that moves parallel to said first direction and below said web, wherein said web moves substantially independently of said web; and

an applicator that places a label upon a portion of said web that lies above said planar area.

34. (Amended) A process for manufacturing a label comprising:

moving a web of a substrate along a first direction;

moving a planar area parallel to said first direction and below said web, wherein said moving of said web is performed substantially independently of said moving said planar area; and placing a label upon a portion of said web that lies above said planar area.